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PACIFIC PLYWOOD HOLDINGS LIMITED

太平洋實業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 767)

MAJOR TRANSACTION

On 27 May 2011, the Lender entered into the First Facility Letter with Super Century. Under the First Facility Letter, the Lender agreed to lend and Super Century agreed to borrow the First Loan pursuant to the terms and the conditions of the First Facility Letter. The First Loan was drawdown by Super Century on 27 May 2011. Details of which have been set out in the announcement of the Company dated 27 May 2011.

On 23 June 2011, the Lender entered into the Second Facility Letter with Super Century. Under the Second Facility Letter, the Lender agreed to lend and Super Century agreed to borrow the Second Loan subject to the terms and the conditions of the Second Facility Letter.

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the provision of the Second Loan (when aggregated with the First Loan pursuant to Rule 14.22 of the Listing Rules) exceeds 25% but less than 100%, the provision of the Second Loan constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and shall be subject to the Shareholders' approval requirement. As the assets ratio exceeds 8%, the provision of the Second Loan also constitutes an advance to an entity under Rules 13.13 and 13.15 of the Listing Rules and is subject to the relevant disclosure requirement.

A circular containing, among other things, further details of the provision of the Second Loan and a notice convening the special general meeting of the Company will be despatched to the Shareholders as soon as practicable and is expected to be on or before 15 July 2011.

* For identification purposes only

On 27 May 2011, the Lender entered into the First Facility Letter with Super Century. Under the First Facility Letter, the Lender agreed to lend and Super Century agreed to borrow the First Loan pursuant to the terms and the conditions of the First Facility Letter. The First Loan was drawdown by Super Century on 27 May 2011. Details of which have been set out in the announcement of the Company dated 27 May 2011.

On 23 June 2011, the Lender entered into the Second Facility Letter with Super Century. Under the Second Facility Letter, the Lender agreed to lend and Super Century agreed to borrow the Second Loan subject to the terms and the conditions of the Second Facility Letter.

THE SECOND FACILITY LETTER

Set out below are the key terms of the Second Facility Letter.

Date: 23 June 2011

Parties:

Lender: Joy Wealth Finance Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company, is a licensed money lender and is principally engaged in the business of money lending and provision of credits.

Borrower: Super Century Investments Limited, a company incorporated in the British Virgin Islands with limited liability, which is an investment holding company. As at the date of this announcement, it holds 335,907,127 Simsen Shares, representing approximately 25.86% of the issued share capital of Simsen International.

To the best of knowledge, information and belief of the Directors having made all reasonable enquiries, Super Century and its ultimate beneficial owner are third parties independent to the Company and its associates, and not connected with the Directors, chief executives or substantial Shareholders of the Company and its subsidiaries and their respective associates (as defined under the Listing Rules).

Amount of the Second Facility Letter:

HK\$203,000,000

Term:

It has a term of six (6) months from the date of the Second Facility Letter, subject to the agreement between the parties thereto on any possible extension of six (6) months.

Purpose of the Second Facility Letter:

The Second Loan shall be used by the Borrower mainly for financing its obligation under its undertaking to Simsen International to accept or procure the acceptance of 6,718,142,540 Simsen Shares under the proposed rights issue of Simsen International, being its rights entitlement.

Conditions:

The Second Facility Letter is conditional upon the approval of the Shareholders being obtained.

Interest rate:

10% per annum, with reference to the credit policy of the Lender

Repayment date:

Subject to the Lender's overriding right of repayment on demand, the principal sum of the then outstanding loan together with interest accrued thereon shall be repaid on or before 23 December 2011.

Early settlement and partial payment:

Early settlement and partial payment shall be subject to all accrued interest (accrued interest is calculated on a daily basis) and are subject to the consent of the Lender. A prior notice must be given by the Borrower.

Collateral:

Apart from the 335,907,127 Simsen Shares as collateral for the First Loan, the Borrower will enter into another share mortgage deed in relation to the Mortgaged Shares in which the Borrower has agreed to mortgage, *inter alia*, its Mortgaged Shares (including the 6,718,142,540 Simsen Shares and the bonus warrants after the completion of the proposed rights issue of Simsen International) and any other collateral as required or demanded by the Lender in its absolute and sole discretion from time to time. In the event that the proposed rights issue of Simsen International does not become unconditional, the Borrower shall repay the Second Loan with accrued interest to the Lender immediately.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE SECOND LOAN

The Company is an investment holding company, and through its subsidiaries is principally engaged in the business of money lending, provision of credits and securities investments.

Entering into the Second Facility Letter with Super Century is conducted in the ordinary and usual course of business of the Group, which provides interest income to the Group and the terms of which are entered on normal and commercial terms. Accordingly, the Directors consider that the terms of the Second Facility Letter are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the provision of the Second Loan (when aggregated with the First Loan pursuant to Rule 14.22 of the Listing Rules) exceeds 25% but less than 100%, the provision of the Second Loan constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and shall be subject to the Shareholders' approval requirement. As no Shareholder has a material interest in the provision of the Second Loan which is different from other Shareholders, no Shareholder is required to abstain from voting in respect of the provision of the Second Loan. As the assets ratio exceeds 8%, the provision of the Second Loan also constitutes an advance to an entity under Rules 13.13 and 13.15 of the Listing Rules and is subject to the relevant disclosure requirement.

A circular containing, among other things, further details of the provision of the Second Loan and a notice convening the special general meeting of the Company will be despatched to the Shareholders as soon as practicable and is expected to be on or before 15 July 2011.

DEFINITIONS

Unless otherwise stated, the terms in this announcement have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Borrower” or “Super Century”	Super Century Investments Limited, an investment holding company incorporated in the British Virgin Islands with limited liability
“Company”	Pacific Plywood Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“First Facility Letter”	the first facility letter made between the Lender and the Borrower on 27 May 2011
“First Loan”	the first loan with principal amount of HK\$37,000,000
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Lender”	Joy Wealth Finance Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company, which is a licensed money lender and is principally engaged in the business of money lending and provision of credits

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mortgaged Share(s)”	335,907,127 Simsen Shares owned by Super Century to be mortgaged to the Company according to the share mortgage deed to be entered into between the Lender and the Borrower (including the 6,718,142,540 Simsen Shares and the bonus warrants after the completion of the proposed rights issue of Simsen International)
“Second Facility Letter”	the second facility letter made between the Lender and the Borrower on 23 June 2011
“Second Loan”	the second loan with principal amount of up to HK\$203,000,000
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Shares
“Simsen International”	Simsen International Corporation Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 993)
“Simsen Share(s)”	ordinary share(s) of Simsen International with par value of HK\$0.01 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
Pacific Plywood Holdings Limited
Huang Chuan Fu
Executive Director and Deputy Chairman

Hong Kong, 23 June 2011

As at the date of this announcement, the executive Directors are Mr. Liang Jian Hua (Chairman), Mr. Huang Chuan Fu (Deputy Chairman), Ms. Jia Hui and Mr. Jiang Yi Ren and the independent non-executive Directors are Mr. Chan Kin Sang, Mr. Cheng Po Yuen and Mr. Wong Chun Hung.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.